

THE HOLDEN PLAN

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RECONSTRUCTED BALANCE-SHEET OF THE BANK. JANUARY 16, 1918.

Capital.....	£14,553,000	Gold	.	.	!
Reserve.....	£58,768,000				
Notes Issued (circulation)	3,363,000	Currency Notes	.	11,015,000	
	45,348,000				
Deposits.....	£63,005,000	Government Securities	.	£69,783,000	
Other Liabilities	.	Other Securities	.	7,435,000	
56,768,000				64,203,000	
		Other Securities	.	92,278,000	
	£226,264,000			£226,264,00	
	Ratio of Gold to Notes		.	=1297 per cent.	
	„ „ Cash Balance to				
	Liabilities	•* 33*5		„	

It need not be said that these proposals have aroused the liveliest interest. At the Bank Meetings held since then several chairmen have been asked by their shareholders to express their views on Sir Edward's proposed revolution. Sir Felix Schuster pronounced cautiously in favour of the revision of the Bank Act, and said that he had advocated it seventeen years ago. Lord Inchcape, at the National Provincial Meeting, thought that the matter required careful consideration. Most of us will agree with this view. There is certainly much to be said for a reform of the Weekly Statement of the Bank of England, giving, it may be added, a good deal more detail than Sir Edward's revised balance-sheet affords. But concerning his proposal to reconstruct our system of note issue on a foreign model, there is certain to be much difference of opinion. In the first place, owing to the development of our system of banking by deposit and cheque rather than by issue and circulation of notes, the note

issue is not
nearly so important a business in
normal times in
this country as it is in Germany and
France.